



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0502	Title:	Revise gambling law
Primary Sponsor:	Gallik, Dave	Status:	As Introduced-Revised

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$4,774	\$5,073	\$5,327	\$5,593
Revenue:				
General Fund	(\$4,774)	(\$5,073)	(\$5,327)	(\$5,593)
State Special Revenue	\$4,774	\$5,073	\$5,327	\$5,593
Net Impact-General Fund Balance	<u>(\$4,774)</u>	<u>(\$5,073)</u>	<u>(\$5,327)</u>	<u>(\$5,593)</u>

Description of Fiscal Impact:

Passage of HB502 would require that 0.0075% of the video gambling machine tax be diverted from the general fund to the Board of Horse Racing State Special Revenue Account.

FISCAL ANALYSIS

Assumptions:

Department of Justice – Gambling Control Division

1. The department assumes passage of this bill will have no affect on the number of video gambling machines permitted for play and no affect on the volume of play in each machine.
2. The department further assumes that video gambling machine taxes collected by the Gambling Control Division will continue to increase at approximately 5% per year.
3. Based on these assumptions, any additional resources necessary to adjust the division's tax collection and distribution database can be covered by the Gambling Control Division's proposed budget.

Department of Livestock – Board of Horse Racing (BOHR)

4. This bill will create a revenue stream dedicated to the BOHR. This bill dedicates 0.0075% of the video gambling tax proceeds to BOHR.
5. The BOHR would expend the funds in accordance with its existing goals and objectives.
6. The total revenues estimated for FY 2008 is \$4,774 and \$5,073 in FY 2009 using estimated amounts by Revenue and Transportation Interim Committee as contained in HJR 2 (\$63,649,000 estimate * .000075 = \$4,774 in FY 2008 and \$67,646,000 estimate * .000075 = 5,073 in FY 2009).
7. The revenues are projected to increase at 5 percent per year.
8. Funding is statutorily appropriated to the BOHR per 23-4-304(3), MCA.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$477	\$507	\$533	\$559
Transfers	\$4,297	\$4,566	\$4,794	\$5,034
TOTAL Expenditures	\$4,774	\$5,073	\$5,327	\$5,593
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$4,774	\$5,073	\$5,327	\$5,593
<u>Revenues:</u>				
General Fund (01)	(\$4,774)	(\$5,073)	(\$5,327)	(\$5,593)
State Special Revenue (02)	\$4,774	\$5,073	\$5,327	\$5,593
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$4,774)	(\$5,073)	(\$5,327)	(\$5,593)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

Approximately 90 percent of the revenues generated for the BOHR would be transferred to local entities to continue or expand horse racing by offsetting the costs of races or expansions granted by BOHR.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date